

## MEMORANDUM FOR BUREAU BUDGET OFFICERS

FROM: Carl L. Moravitz  
Departmental Budget Director  
Office of Budget

SUBJECT: FY 2000 Congressional Budget, Performance Plan and Performance Report Submission

Thank you for all your support in resolving the final FY 2000 budget allowances that will be transmitted to Congress on February 1, 1999. We are now in the final stages of preparing the supporting justification to assist the Congress in their review of our requests. Since the time lines are tight, we'll need to work together to ensure that we meet the target dates.

This memorandum communicates instructions for the preparation and transmittal of the FY 2000 Congressional Budget, Performance Plan and Performance Report submission. They should be inserted under Appendix Tab 12 in the Treasury Budget Manual.

***\*\*\*\*\*Law enforcement bureaus will receive supplemental instructions that may require modification of several of the exhibits to accommodate presentation of other funding mechanisms, e.g. Super Surplus Forfeiture Fund, Violent Crime Reduction Trust Fund, and new or increased User Fees.\*\*\*\*\****

The following is a summary listing of the minimum requirements for materials required by Congress. Bureaus may provide additional justification material to support the budget request if warranted. **A 3.5" diskette with the Word Perfect narrative and Lotus tables should be provided, along with the hard copy of the materials.**

**The Bureau of Engraving and Printing, the U.S. Mint, and the Financial Management Service and Bureau of Public Debt revolving funds** should submit business-type schedules in lieu of the Summary Explanations of FY 2000 Changes Requested, the Explanation of Proposed FY 1999 Operating Budget, the Explanation of FY 2000 Budget Increases and Decreases, and the Standard Classification Schedule.

**Office of Comptroller of the Currency (OCC) and Office of Thrift Supervision (OTS)** adjustments to performance plan submission dates have been made to accommodate their Calendar Year (CY) operations as follows:

December 1 to 30, 1998: Consultation with Treasury and OMB on working drafts of CY 1999 performance plans.

December 31, 1998: Final Performance Plan for CY 1999 due to Treasury and Treasury forwarding to OMB.

March 31, 1999: Performance Report for PY 1998 due to Treasury.

Contents and format of OCC and OTS performance plans will follow Treasury style and format contained in this memorandum as practical per agreements with the Treasury Office of Strategic Planning.

### **Relationship of the Budget to the GPRA and Strategic Planning Process**

The “Summary Justification of FY 2000 Budget Estimates” will include your bureau’s:

- ! Proposed Annual Performance Plan for FY 2000 to support your budget request,
- ! Final Annual Performance Plan for FY 1999 reflecting performance targets in light of the enacted level, and
- ! Annual Performance Report for FY 1998 showing the actual performance in FY 1998 compared with the final Performance Plan for FY 1998 presented in the FY 1999 President’s budget. Note that you must report on the same measures that were reflected in the final FY 1998 Plan, even if new measures have evolved since then. The new measures should be reflected in the FY 1999 and FY 2000 plans.

Bureaus should use the section in the sample attachment to clearly describe their mission, goals, strategies, and how their budget request implements these strategies. The performance plan and report should be clear, concise, and complete. Finally, it is important that Treasury provide a complete and consistent report on the accuracy of our performance data, how we verify that accuracy, and the definitions of our measures. To achieve this, **bureaus should pay close attention to the “Verification and Validation of Data and Definitions of Performance Measures and other Terms” instructions in the attached sample.**

### **Interagency Crime and Drug Enforcement Fund**

Formerly known as the Organized Crime Drug Enforcement Fund (OCDEF), the Interagency Crime and Drug Enforcement funds for FY 2000 will be shown in the President’s Budget Appendix as a separate account. Affected bureaus (ATF, Customs and IRS) will not include the funding in their President’s Budget or MAX.

### **Required Materials**

See Attachment 1 for further explanation on the requirements and format. The material should be presented in the following order:

#### **FY 2000 Summary**

Tables

- ! Analysis of FY 1999 Operating Level and Digest of FY 2000 Budget Estimates by Activity
- ! Summary Explanations of FY 2000 Request Changes by Activity

- ! Detail of Full-Time Equivalent Positions by Category
- ! Detail of Full-Time Equivalent Positions by Grade
- ! Explanation of Proposed FY 1999 Operating Budget
- ! Standard Classification Schedule: Direct Obligations

Explanation of Fiscal Year 2000 Budget Increases and Decreases

- ! Program Changes
- ! Other Changes

Language Sheet and Justification of Language Changes

**Summary Justification of FY 2000 Budget Estimates with Associated Performance Plan and Report**

**Legislative Changes**

If your bureau will be requesting legislative changes (e.g., creation of a revolving fund or merging two accounts), refer to the A-11, Sections 12.2 and 20.4. Please work with your Office of Budget Examiner to ensure that these actions are coordinated with OMB in a timely manner.

**Other Material**

The above listing reflects the minimum material required by Congress. If warranted, bureaus may provide additional justification to support the budget request. Budget Officers will ensure that these minimum requirements are met.

**Style and Format of Material**

- ! Tabular Material. All tables are to be typed horizontally on 8 1/2 x 11 inch paper with the top and bottom margins along the 11 inch dimension. **Note: Diskettes with formatted tables have been distributed with these instructions.**
- ! Narrative Justification Material. The materials are typed horizontally on 8 1/2 x 11 inch paper with the top and bottom margins along the 11 inch dimension. Margins are to be 1/2 inch on both sides, and the top and bottom 3/4 inch. The narrative material is to be typed in 12 pitch Times Roman font and should not be photographically reduced.
- ! Page Numbering. The sheets for each appropriation account should be numbered consecutively with an identifying code and page number beginning at "1" for the first sheet for each appropriation. For example, sheet numbers will appear as: DO-1; FMS-1; FLETC S&E-1; FLETC ACI&RI-1; etc. This is designed to facilitate identification, cross-reference, replacement and/or addition of material. Bureaus justifying only one appropriation will also code and number their sheets. Page numbers should be shown on each page in the lower right hand corner.

- ! Date. The date of submission should be shown in the lower left corner. The date used will be the date the President formally transmits the FY 2000 Budget to the Congress -- **February 1, 1999**. A page subsequently revised should be given the date that the revision is prepared to facilitate its identification.

### **Timing**

Upon receipt of this memorandum, bureaus should be well into the process of reviewing "boiler plate" language. Bureaus should revise this language as necessary for consistency with the bureaus mission and strategic goals, and to make certain that the bureau's programs and resource requests are described as a plan to move towards achieving its goals. Tables for FY 1998 and FY 1999 performance measures should be near completion, except as affected by any outstanding FY 1999 reprogramming issues.

Turnaround for review and revision in most cases could require activity by bureau, Treasury, and OMB staff outside of the normal tour of duty. To facilitate the process further, bureaus are encouraged to provide draft materials on a flow basis for Treasury and OMB review.

The current schedule for preparation and transmittal of the FY 2000 Congressional submission is as follows:

<b>Event</b>	<b>Date</b>
Bureau submits draft to Office of Budget for review. Office of Budget forwards OMB for concurrent review.	January 11, 1999
OMB returns comments, through the Office of Budget, to bureaus on a flow basis.	OMB has at least 5 days for review
Bureaus submit final originals and 2 copies of submissions to Office of Budget.	January 25, 1999
Office of Budget prints and consolidates bureaus' submissions.	January 26, 1999
Treasury transmits budgets to Congress.	February 1, 1999

### **Final Print Requirements**

Upon approval by the Office of Budget and OMB, changes will be communicated to bureaus immediately. The bureaus will make revisions and return an original, two copies, and a 3.5" diskette with the Word Perfect narrative and Lotus charts to the Office of Budget by **January 25, 1999**, for final reproduction. The Office of Budget will be responsible for the final printing of the FY 2000 budget document to meet all Congressional and OMB needs.

The original copies of the FY 2000 submission will be returned to the bureaus by the Office of Budget for the bureaus' use in printing their internally required copies.

### **Materials to be Forwarded Separately to Committees**

For your information, the Office of Budget will be providing required materials to House and Senate Committees under separate cover following the transmittal of the Congressional Budget

submission. A list of the items to be submitted with the FY 2000 President's Budget is provided as Attachment 2. This information will be coordinated with bureaus prior to transmittal to the Committees.

Questions on these instructions should be referred to your Budget Examiner.

#### Attachments

*cc:* Bureau CFOs  
Bureau Planning Officers

This attachment provides a brief description and explanation of the required materials. Please note that the following must be provided for each appropriation. A sample for reference is provided after Attachment 2.

## FY 2000 Summary

### **TABLES**

#### **Analysis of FY 1999 Appropriated Level**

This exhibit establishes the level of budgetary comparison, beginning with the appropriation approved for the current fiscal year and adjusting this amount for known and approved actions that will change the operating level. Such actions include appropriation transfers resulting from laws and transfers of functions; program supplementals that have been approved by OMB; FTE-sensitive or interappropriation reprogramming, e.g. to accommodate the impact of the January FY 1999 pay raise above budgeted amounts; and sequestration, rescission or deferral items that have been or are in process of being transmitted to the Congress. The FTEs for this exhibit are direct only and do not include any reimbursable activities.

Entries for the Analysis of FY 1999 Appropriated Level will include, if applicable, the following:

1999 Appropriation (PL. 105-277)	.....
Proposed Adjustments:	
Enacted transfers to/from other accounts	.....
Reprogramming (FTE only, except for IRS interappropriation transfers)	.....
Rescissions	.....
FY 1999 Appropriated Level, Plus/Minus Transfers	.....

#### **Digest of FY 2000 Budget Estimates by Activity** (Subject to revision for LE bureaus)

**General Information:** Shown on the same page as the Analysis of FY 1999 Appropriated Level, the Digest of FY 2000 Budget Estimates is designed to provide a comparative summary of the FY 1998 and FY 1999 appropriated levels and the requested FY 2000 appropriation estimate by major activities. A single entry is made for each activity in the same sequence that is presented in the Appendix to the President's Budget. Tables and narrative explanations that follow are keyed to this sequence. PY and CY transfers should be adjusted in or out on the designated line, depending upon whether they were added to or subtracted from the existing budget activity amounts. These adjustments are intended to arrive at the enacted, pre-transfer appropriation level for any given year.

**Carry Over of Unobligated Balances:** The Digest does not include the carry over of unobligated balances. In the FY 1998 Enacted column, the final appropriated dollars and FTE, including supplementals and rescissions, will be shown along with any amounts expiring.

**Crime Bill:** The Office of Management and Budget is again requiring us to integrate VCRTF resources into Bureaus' main accounts.

### **Summary Explanations of FY 2000 Requested Changes by Activity**

In the stub column, each change is entered under the captions of "Program Changes" and "Other Changes." Program Changes are for expansions or contractions of existing programs due to changes in program coverage policy, legislation, etc. Other Changes display the uncontrollable increases and decreases which would be required to maintain operations in the budget year at the same current level of services, (but including non-discretionary workload increases that affect several Treasury bureaus). Please note that non-discretionary cost adjustments required to maintain current levels (MCLs) of service should be presented as a single amount, reflecting the bureau total of the MCLs prescribed by the Office of Budget standardized method. A full MCL accounting will be presented in a comprehensive Department-wide table. To achieve full consistency among all Treasury bureaus, amounts required for annualization of the FY 1999 pay raise should be included. (In prior years, bureaus with more than one annualization issue were permitted to create a separate annualization section that included pay raise annualizations.)

Non-pay MCLs should be shown as fully funded regardless of whether a bureau has received sufficient resources for that purpose. If resources actually provided for MCLs in passback were insufficient, the Other Changes display should reflect an offsetting base program reduction (both budget authority, and FTE at the bureau's discretion) Bureaus are advised that future justifications for base infrastructure restoration may be weakened if they indicate a capacity to absorb non-pay inflation without reducing labor resources and staff years (FTE).

### **Detail of Full-Time Equivalent Positions by Category**

This exhibit distributes directly funded FTEs by the Office of Personnel Management's major job classification categories. Include any FTEs funded by the Crime Bill within each category.

### **Detail of Full-Time Equivalent Positions by Grade**

This exhibit distributes directly funded FTEs by Grade. The total FTE line should agree with the FTE line at the Total enacted appropriations and budget estimate line of the "Digest of Budget Estimates by Activity." Include any FTEs funded by the Crime Bill within each grade.

### **Explanation of Proposed FY 1999 Budget Operating Levels**

In general, financial data pertaining to the current year (FY 1999) will not include carry-over of unobligated balances from prior years and should reflect the appropriated level in the Program and Financing data in the FY 1999 column of the FY 2000 President's Budget. This exhibit is a bridge by major object class and budget activity from the FY 1999 President's Budget as originally proposed in the FY 1999 presentation to the FY 1999 presentation in the FY 2000 President's Budget. The exhibit serves to highlight:

- 1) differences between the requested and appropriated levels, (+ or - Congressional Action);
- 2) specific Departmental decisions to adopt a revised policy for the current year (Other Proposed Reprogramming); and
- 3) the effect of any transfers, proposed supplementals or rescissions (+ or - type of action).

The Congressional action column should include any net redistribution by object class or budget activity of amounts added to or subtracted from the President's Budget to reach the Enacted Level.

In recent years, Appropriations Subcommittees have required an official letter of request for reprogramming from the enacted level to the "Proposed Operating Level." Consequently, the initial reference point in bureaus' operating plans (i.e., the "baseline"), for purposes of a reprogramming request, will be the enacted level.

A narrative explanation is required for the "Congressional Action" column. No narrative is required for the "Other" column. That will be submitted along with any reprogramming request letters to Congress.

Include any funding or program data related to the Crime Bill in this exhibit, other than unobligated balances.



### **Standard Classification Schedule**

This schedule presents a comparison of direct obligations, including carry over balances of unexpired accounts, by object class between the budget year and the two previous years. Please integrate Crime Bill amounts into this display.

Each year in the table should also include appropriation transfers within the object class detail.

### **EXPLANATION OF FY 2000 BUDGET INCREASES AND DECREASES**

This section provides a narrative, with dollar and FTE impact, of each program and selected uncontrollable increases or decreases shown in the "Summary Explanation of FY 2000 Requested Changes by Activity." The narrative should highlight performance impacts as appropriate. FTEs and funds associated with the Crime Bill should be included.

**The narrative for MCLs is no longer required**, although the total dollar amount of the requested increase should be shown.

### **APPROPRIATION LANGUAGE SHEET AND JUSTIFICATION OF LANGUAGE CHANGES**

This part of the Congressional Budget Submission contains the appropriation language approved by OMB exactly as it is to be presented to the Congress. The exhibit provides an accurate description and explanation of language changes that are requested. Every item of change, except the amount of the budget authority, should be explained.

If the item requested did not appear in the previous appropriation act, the language is considered new and should be typed and underscored. See OMB Circular A-11, Sec. 31.1-31.6.

## Summary Justification of FY 2000 Budget Estimates

**Note: A sample format for the following sections is attached. Bureaus should conform to the format as closely as possible.**

**General Statement:** In this section, bureaus should provide a concise summary of their strategic plan, including mission, strategic issues, goals, major strategies and how the request serves to implement these major strategies. This statement is followed by a table where bureaus explicitly present how their annual performance goals link to their strategic goals and the Treasury-wide strategic goals. This summary is intended to provide the strategic context of the budget request. It should help the reader understand how the budget request serves to help implement the bureau's strategic plan.

**Customer Service standards:** Information on the bureau's customer service standards is presented in this section. This information is intended to emphasize the link between efforts to improve customer service under E.O. 12862 and performance in general under GPRA.

**Annual Performance Plans and Report: If your bureau is proposing changes in Budget Activities, please include a description of the proposal in this section.** This section presents performance plans for each Budget Activity for FY 2000 and FY 1999 and the performance report for FY 1998. In these plans and reports the bureau validates how existing and proposed resource levels are used to implement the bureau's strategic plan and improve program results.

Performance plans must include annual performance goals and measures covering every strategic goal in the bureau strategic plan. If some strategic goals do not fit under any single bureau budget activity (e.g., management goals), then the bureau may present these annual goals and measures in a bureau-wide table after its last budget activity. The regular budget activity format will be used, but without the budget authority and FTE rows. Text explaining why these goals cannot be associated with a single activity should be included.

In addition, if a bureau strategic plan includes descriptions of management problems and corrective steps, then the bureau's performance plan should include performance goals to address these problems.

Performance plans must cover all bureau budget activities included in the Program and Financing Schedules of the President's Budget. Ideally, performance goals are associated with a single budget activity. However, GPRA and A-11 Part 2 anticipated that the performance plan's informative value may be enhanced by consolidating, aggregating, or dis-aggregating budget activities. Aggregation or consolidation may be appropriate in cases where program budget activities are supported by specialized budget activities (e.g., facilities, investment, or specialized budget activities that fund a portion of a program predominantly funded elsewhere). In these cases, bureaus may use the program budget activity performance plan to support the resource request for both that budget activity and the speciality budget activity. When used, both the primary budget activity and the speciality activity should be footnoted to indicate that the primary budget activity's performance plan includes performance associated with the speciality activity. Bureaus should consult with their Office of Budget analyst before pursuing this option.

In cases where significant amounts of budget authority are requested for investments in future year performance (beyond FY 2000), bureaus should include a description in their justification of the future year performance impacts of the budget year resources. If possible, these impacts should be quantified. If not, the impacts should at least describe the performance measures and fiscal years where improvements are expected as a result of the investments.

Finally, it is important that Treasury provide a complete and consistent report on the accuracy of our performance data, how we verify that accuracy, and the definitions of our measures. To achieve this, **bureaus should pay close attention to the “Verification and Validation of Data and Definitions of Performance Measures and other Terms” instructions in the attached sample.** The means to verify should be sufficiently detailed and specific to give the reader a clear understanding of the accuracy and reliability of the performance information that is reported.

**Bureau Performance Plan Coordination Efforts:** Bureaus should comply with the requirements of OMB Circular A-11 Part II Section 220.9(f). Bureau performance plans should indicate those programs or activities that are being undertaken with other agencies to achieve a common purpose or objective. In addition, Law Enforcement bureaus must comply with the requirements of OMB’s April 27, 1998 budget instruction letter to Treasury which directed Justice and Treasury to coordinate their FY 2000 performance plans. All Treasury law enforcement bureaus should identify the extent of their coordination efforts through the Office of National Drug Control Policy (ONDCP) and the International Crime Control Strategy (ICCS) working groups.

**Violent Crime Reduction Trust Fund (VCRTF):** Separately identify on the annual performance plans and results table the Budget Authority and FTEs related to the VCRTF.

**Discontinued Performance Measures:** In general, the Budget Activity tables will present in one location the performance plan for FY 1999 and FY 2000 and the performance report for FY 1998. However, if a bureau has **a large number** of discontinued measures (i.e., measures included in the FY 1998 final performance plan which are not included in the FY 2000 proposed plan), then they should instead be presented in a separate table near the end of the account presentation (just before the definitions). This separate table should include all discontinued measures and a narrative explanation should be provided for all measures where the target was not met.

**Limitations on Discontinuing Measures:** Starting with the FY 2000 **final** performance plan (i.e., the middle column of FY 2001 budget), OMB will restrict changes in performance measures between the proposed plan and the final plan to “those resulting from Congressional action or the occurrence of unanticipated exigencies” (A-11 220.18). As a result, bureau’s should understand that the FY 2000 proposed plan included in this submission will need to remain unchanged in the final plan except as authorized by the rules laid out in A-11.

**BUREAU OF BUREAU OF BUDGET PRIORITIES AND PROGRAMS (BBPP)****TABLE OF CONTENTS**

*[Note: A Table of Contents will be provided for each appropriation.]*

## FY 2000 Summary

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**EXPLANATION OF FISCAL YEAR 2000 BUDGET INCREASES AND DECREASES**

In FY 2000 funding requirements for the Bureau of Budget Priorities and Programs are projected to be \$106,995,000. Total increases of \$7,995,000 are offset by \$1,000,000 in reductions, resulting in a net increase of \$6,995,000 over the FY 1999 funding level of \$100,000,000. In addition, total increases of 11 FTE positions are offset by a reduction of 9 FTE positions from a proposed new user fee that funds reimbursable FTE, netting to an increase of 2 FTE positions to the FY 1999 staffing levels.

**PROGRAM CHANGES**

**Total Requested Program Changes** ..... +\$ 113,000 / + 3 FTE

The program changes requested for FY 2000 will improve the support to the Director and other senior officials in formulating and analyzing domestic and international economic policy and in overseeing its implementation.

1. Policy and Program Development ..... +\$ 313,000 / + 7 FTE

A program increase of \$313,000 and 7 FTE positions is requested for this activity in FY 2000, to address the increased workload in the Office of Tax Priorities. Specifically, additional resources are required in the areas of revenue and budget receipts estimating, regulations and directives, international tax treaties and agreements, and Congressionally mandated tax policy studies. Revenue and budget receipts estimates have become even more critical and sensitive tasks with the passage of the Tax Reform Act of 1986 and the Budget Enforcement Act of 1990. Implementation of the Tax Reform Act also entailed a great increase in the number of regulations, analysis of proposals, and Congressionally mandated studies. Increased requests for revenue and receipts estimates have become necessary in order to forecast future financing and predict the need for legislation to expand Government borrowing authority. Attempts to use tax incentives as a substitute for expenditures, coupled with the deficit issue, have necessitated more sophisticated economic modeling and scrutiny of current and proposed Government-wide programs. General budget forecasting models related to the status of receipts vis-a-vis the Budget Enforcement Act of FY 1990 are becoming increasingly important and require exceptional staff support.

The 7 FTE in additional staff is required to address the increasing number of international tax treaties and other international agreements. The Tax Reform Act and comprehensive changes to international tax law have had an impact here, requiring extensive renegotiation of the existing treaty network to accommodate these changes. There are presently over 60 income tax treaty projects, including revisions of existing treaties and new treaties. Other international agreements such as the shipping and aircraft reciprocal exemption agreements called for by the Tax Reform Act,

implementing agreements with U.S. Possessions and former Trust Territories, and Caribbean Basin initiative tax information exchange agreements with Caribbean and Central American countries require additional staff.

The additional resources requested will enable the Office of Tax Priorities to not only better address short-term assignments and emergency requirements, revenue and budget receipts estimates, regulations, and treaty negotiations, but also to greatly enhance its objectives and responsibilities relative to its mission. This mandate requires: reporting to Congress and the President on the effectiveness of tax policy and proposing changes in policy to improve the Federal tax system;

The funding for this program increase by object class is as follows:

Personnel Compensation and Benefits .....	\$242,000
Travel and Transportation of Persons .....	42,000
Printing .....	11,000
Other Services .....	<u>18,000</u>
Total .....	\$313,000

2. Program Reduction ..... -\$ 200,000 / - 4 FTE

The Bureau proposes to reduce its Office of Change Policy by \$200,000 and 4 FTES. The Office proposes to dismantle its Criteria Unit. The number of requests for setting criteria has dwindled from 145 in FY 1992 to 30 in FY 1998. We expect only a few requests in FY 1997 after implementation of the Criteria Deregulation Act of 1994.

**OTHER CHANGES**

**Total Requested Other Changes** ..... **+\$6,882,000 / -1 FTE**

Other Changes include adjustments necessary to maintain current levels (MCLs) and any other adjustments that may be required. They are as follows:

- 1. Adjustments necessary to maintain current levels** ..... **+\$1,950,000 / 0 FTE**
- 2. Adjustments to Allow for Transfer to/from Other Accounts in FY 2000** ..... **+\$2,000 / 0 FTE**
- 3. Other Adjustments** ..... **+\$4,930,000 / - 1 FTE**

- a. One-time (nonrecurring) costs associated with FY 1999  
systems modernization projects ..... **-\$ 450,000 / 0 FTE**

*(Please list nonrecurs reflecting, for example, a one-time purchase of computer hardware in FY 1999 that will not be purchased in FY 2000.)*

- b. Productivity Savings ..... **-\$ 100,000 / 0 FTE**

*(Please list investment which have resulted in productivity savings and associated dollars; e.g., savings from automatic efficiencies.)*

- c. Reductions in Required Budget Authority and Direct Staffing Resulting  
from New or Increased User Fees (no change in operating level) ..... **-\$ 250,000 / - 5 FTE**

Fees will be assessed for the processing of information requested by U.S. corporations engaged in multinational commerce.

- d. Mandatory Workload Increase ..... **+\$ 300,000 / + 4 FTE**

*(Describe changes required under mandatory workload.)*



- e. Initiative Annualizations ..... +\$ 30,000 / 0 FTE  
*(Please list the incremental annualized increase required for already approved programs.)*
  
- f. Base Program Initiatives ..... +\$5,400,000 / 0 FTE  
*(Describe any base program initiatives)*
  
- g. Other ..... \$0 / 0 FTE  
*(Please describe any other changes.)*

Department of the Treasury

BUREAU OF BUDGET PRIORITIES AND PROGRAMS

Federal Funds

General and Special Funds:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Budget Priorities and Programs including...

*(Using the page margins and type specifications included in these instructions, all language should be prepared **exactly** as printed in the President's Budget Appendix, **except** that all proposed language and budget authority should be **underscored** rather than italicized.)*

Justification of Language Changes

*(Clear, succinct explanations must be provided for **each** proposed language change, but not for proposed changes in budget authority or obligatory availability.)*

Explanation of Congressional Action

The FY 1999 Treasury Appropriation included (additional funding above) (funding reductions from) the FY 1999 President's Budget. An explanation of these changes follows.... *Included in the explanation should be a discussion of subsequent changes to FTE that were prescribed in report language.*

***A narrative justification of the Other Reprogramming column is not required. It will be included with any reprogramming requests forwarded to Congress.***

## SUMMARY JUSTIFICATION OF FY 2000 BUDGET ESTIMATES

**General Statement** *(The purpose of this section is to provide a “strategic” context for the bureau’s integrated budget and performance plan/report submission. The bureau will describe its mission, provide a broad summary of strategic issues being faced, and present strategies to address them. To demonstrate the linkage from the Treasury-wide strategic plan to the bureau strategic plan to the annual budget/performance plan submission, the table format provided below will be used. In it, list the strategic plan goals and alongside each the corresponding performance goals by which each strategic goal will be measured.*

This document presents justification of the FY 2000 budget by demonstrating how funding enables achievement of the strategic plan goals of BBPP, and how achievement of those goals is measured through performance goals, measures, and performance reports. *(required sentence)*

The mission of the Bureau of Budget Priorities and Programs (BBPP) is to provide support to the Director in his roles as the chief financial officer of the Government, major policy advisor to the President.

The key strategic issue facing the bureau is the need to increase productivity to handle increased volume and quality of service with fewer resources. The overall strategy to address this issue will be to better identify customer needs by segment, and use the breakthrough technology to satisfy those needs at reduced unit and overall costs. Funding of the cost of new technology will be met by eliminating low end value services and deploying those resources to the new technology.

To fulfill its mission, the Bureau has developed general strategic goals that encompass all appropriated activities. Theses goals, and the performance goals to measure their accomplishment are presented in the following table:

RELATIONSHIP BETWEEN THE STRATEGIC PLAN AND THE ANNUAL PERFORMANCE PLAN		
Treasury Strategic Goal and <i>Objective</i>	Bureau Strategic Goal	Performance Goals linked to Strategic Goal
Improve Program Performance  <ul style="list-style-type: none"> <li>• <i>Continue to reinvent and modernize operations to achieve efficiencies</i></li> <li>• <i>Foster partnerships with customers and stakeholders to achieve objectives</i></li> </ul>	1. Regulations will be legally sound and consistent with government-wide objectives for streamlining.	A. Expedite customer service in legal review of regulations submitted for BBPP coordination by at least 50% above the FY 1996 baseline level of 14 days to 7 days by FY 2001 and improve customer satisfaction by at least 10%.
		B. The number of legal challenges received in Federal courts as to the constitutionality of regulations will be less than 80% of the 1990-1996 average.
		C. Consolidate the 17 separate regulations existing in 1996 to four by 2001, and reduce the number of pages by 40%.
Manage the Federal Government's Accounts  <ul style="list-style-type: none"> <li>• <i>Strengthen the government's financial infrastructure to improve the efficiency of program management across government</i></li> </ul>	2. Program good thing outcomes of programs under BBPP policy jurisdiction will increase by an average of 2% per year.	A. Program A good thing outcomes will increase by 10% between FY 1998 and FY 2002.
		B. Program B good thing outcomes will increase by an average of 2% per year between FY 1998 and 2002.
Improve Program Performance  <ul style="list-style-type: none"> <li>• <i>Improve Customer Service</i></li> </ul>	3. Regulations will be perceived by those regulated as clear, fair, and imposing an acceptable level of burden to accomplish their objectives.	A. Semi-annual customer surveys will maintain a satisfaction level rating results of "B+".

*Note: This table is designed to provide the GPRA-required linkage between the annual performance goals and the agency's strategic goals. It presents to the reader the bureau strategic goal supporting the Treasury-wide goals and objectives, and the annual performance goals which support each bureau strategic goal. The bureau goals supporting the Treasury-wide goals and objectives should match the linkage table (Appendix B) in the Treasury-wide strategic plan.*

*Keep in mind the following items:*

- *The table does not need to present specific performance measures, only annual performance goals.*
- *Some performance goals may be linked to more than one bureau strategic goal; in which case, they are to be repeated with each bureau strategic goal they support.*
- *Similarly, some bureau strategic goals may support more than one Treasury strategic goal and objective. In these cases list all of the Treasury strategic goals objectives which they support in a single cell in the left-hand column.*
- *If there are any performance goals which do not link to any strategic goal, list them in an additional table row with "Additional Performance Goals" inserted in the strategic goal column.*
- *Clarifying narrative should be included as necessary.*

### **Customer Service**

*(This section provides a brief description and aggregated performance of the bureau's published customer service standards. If the bureau does not participate in the customer service standards program under Executive Order 12862, it should so state in this section and give the reason for not participating).*

The Bureau of Budget Priorities and Programs has established and published 15 customer service standards. These standards address our products and services for our major customers groups, which include the Treasury bureaus, the Departmental Offices, the Office of the ASM, OMB, and the Congress. *[Several of]* these standards are presented throughout this budget as performance goals/measures related to their appropriate budget activity.

For FY 1998, the bureau met ten of its 15 customer service standards 90% of the time or more. For FY 2000, the bureau intends to meet all of its customer service standards 90% of the time or more.

Customer Service Standards Performance Goal: <b>Meet published Customer Service Standards 90% of the time or more often.</b>	FY 1996	FY 1997	FY 1998		FY 1999	FY 2000
	Actual	Actual	Plan	Actual	Final Plan	Proposal
Standards met 90% of the time or more.	8	9	n/a	10	13	15
Total number of published standards	10	15	n/a	15	15	15

**Performance Plan Coordination Efforts:**

*(Bureaus should identify any performance goals and measures which support programs of an interagency or crosscutting nature. See OMB Circular A-11 Part II Section 220.9(f). In addition, all Law Enforcement bureaus must indicate the extent of their coordination efforts through the ONDCP and ICCS working groups. Each individual measure that was coordinated through this process should be identified with an asterisk by the measure and a footnote that so indicates.)*

The Bureau of Budget Priorities and Programs has been an active participant on the Office of National Drug Control Policy (ONDCP) and the International Crime Control Strategy (ICCS) working groups. These working groups were established by the Executive Office of the President to ensure coordination of efforts among the various Federal law enforcement entities on major cross-cutting goals. The Bureau of Budget Priorities and Programs has representatives on the following working groups: ONDCP Counterdrug Operations working group; ONDCP Law Enforcement Intelligence and Investigations working group; ICCS Counterfeiting of U.S. Currency working group; and ICCS Money Laundering and Financial Crime working group. Our performance plan has been annotated to show which measures have been coordinated with other Departments and agencies through ONDCP/ICCS working group efforts.

**Annual Performance Plans and Results as Required under the Government Performance and Results Act of 1993 (GPRA)**

The operations of the Bureau of Budget Priorities and Programs are divided into four major activities. For each of these activities, budget and performance data are presented in table format to show historical trends and performance expectations associated with the FY 2000 budget. Following the table are narratives explaining the FY 2000 proposed performance plan, 1999 final performance plan revised to reflect Congressional action, and the FY 1998 report on program performance. *(Because this is a sample presentation, only one activity will be presented.)*

*(Note: If your bureau is proposing changes in Budget Activities, include a description of the proposal here.)*

**Activity: 1. Policy and Program Development**

Functions: *(The bureau will describe the functions funded by the Budget Activity.)* The function of the Policy and Program Development Activity is to set policy direction and provide professional support for the Bureau of Budget Priorities and Programs. This activity includes the immediate offices of the Director, as well as staff offices responsible for legal counsel, bureau law enforcement and intelligence activities, foreign assets control, domestic and international tax policy, legislative affairs, public affairs, economic policy, general fiscal policy and debt management.

**Performance Plans for FY 2000 and FY 1999, and Performance Report for FY 1998 Data**

*(The bureau will provide, in the table format provided the following data as indicated by the sample:*

- *FY 1996 and FY 1997 historical data as available and applicable. If not available or not applicable enter a “n/a”*
  - *FY 1998 plan and actual data. Data entered in the FY 1998 Plan column should be identical to that submitted in the FY 1999 budget*
  - *FY 1999 final plan figures, updated as needed to adjust for appropriation levels*
  - *FY 2000 data associated with the FY 2000 request*
  - *Program performance goals and measures defining the level of performance associate with the budget activity each year*
  - *Customer service standards (or performance goals/measures) as required under Executive Order 12862 “Setting Customer Service Standards” that are:*
    - (1) related to this budget activity, and*
    - (2) published in the bureau’s annual Customer Service Standards, and*
    - (3) directly related to the primary mission of the bureau.*
- If all three of the above criteria are met, then the customer service standard should be shown as a performance measure. In the performance plan they should be labeled as customer service standards (e.g., write “(Customer Service Standard)” after the measure name) to minimize confusion on the part of readers. Note: all customer service standards will be aggregated in the “Customer Service” section of this performance plan and report.*
- *Workload measures may be included in the section provided as your bureau’s Budget Examiner stipulates. Data in the workload section is not considered part of the bureau’s performance plan and report. It is intended only to provide additional contextual information for use in analyzing the performance plan and report.)*



<b>Performance Plans for FY 2000 and FY 1999, and Performance Report for FY 1998 Data</b>						
	<b>FY 1996</b>	<b>FY 1997</b>	<b>FY 1998</b>		<b>FY 1999</b>	<b>FY 2000</b>
	<b>Actual</b>	<b>Actual</b>	<b>Plan</b>	<b>Actual</b>	<b>Final Plan</b>	<b>Proposal</b>
<b>Budget Authority (\$000s)</b> .....	\$37,500	\$35,500	\$37,000	\$37,200	\$36,523	\$36,586
<b>Direct FTE</b> .....	540	500	500	501	489	490
<b>VCRTF Budget Authority (\$000s)</b> .....	\$400	\$600	\$800	\$800	\$800	\$800
<b>VCRTF FTE</b> .....	4	6	9	9	9	9
<b>Performance Plan</b>						
<b>A. Performance Goal:</b> Expedite customer service in legal review of regulations submitted for departmental coordination by at least 50% above the FY 1996 baseline level of 14 days to 7 days by FY 2001 and improve customer satisfaction by at least 10%.						
<b>Performance Measure(s):</b>						
1. Number of days required for legal review.	14	13	12	11	10	7
2. Skill at customer service (measure percent satisfied using survey).	n/a	52%	60%	55%	65%	75%
<b>Workload and Other Non-Performance Statistics</b>						
<i>(Note: Consult your individual Treasury Budget Examiner for the necessity of workload measures.)</i>						
1. Number of Requests for Legal Reviews	3,300	3,400	2,900	2,876	2,900	2,900

## **FY 2000 Proposed Performance Plan Explanation**

### Description of Budget Request:

*(The bureau will describe the budget request (including the base) in terms of the processes, technology, human skills, capital, information or other resources required to meet the performance goals. This section should explain how the performance goals in the activity are planned to be achieved, not just be a narrative on the measure indicators. An explanation of any performance targets that appear low or significantly different from prior year actuals should be included.*

*If achievement of program or policy goals is dependent upon the following, refer to the appropriate section of the A-11, Part 2 for detailed guidance:*

- *Specific regulation and for use of tax expenditures; Section 220.11(b)*
- *Proposed legislation; Section 220.11(c)*
- *Certain major acquisitions included in the Capital Asset Plan must be referenced; Section 220.11(d)*
- *Significant management problems; Section 220.11(e)*

The table includes the budget request for dollars and FTE in FY 2000. For Activity 1, the Bureau has requested an increase of \$63,000 with an increase of one FTE. The rationale is to provide the technology to the Regulation Review Division that will allow it to decrease the number of days required to review proposed regulations, while, at the same time, remaining at the same FTE level. Definitions of performance measures and their accuracy are found the end of this budget activity section.

## **FY 1999 Final Performance Plan Explanation**

**(Note: This section will not be required until the Enacted level is available.)**

Description of Adjustments Related to Congressional Action: *(The bureau will restate, or update as needed, the performance plan proposed in the FY 1999 Congressional submission and describe the appropriated level in terms of the processes, technology, human skills, capital, information or other resources required to meet the performance goals.)* The FY 1999 appropriation for the Bureau is the same level as the FY 1998 appropriation. Because that level will not pay for pay raises and increases to non-pay related costs, the Bureau will be forced to reduce its staff. The Office of Regulation Review will lose one FTE; thus, increasing the difficulty of expediting legal review of proposed regulations and improving customer service. Rather than setting a goal of 9 days in FY 1998, the bureau has revised the goal to 10 days. The second performance measure has not been revised. Our concerted effort to streamline review while maintaining good relations with our customers encourages the Bureau to maintain the initial Performance Goal in FY 1999.

Evaluation of FY 1999 Performance Plan Relative to Performance Achieved Toward the FY 1998 Performance Goals: *(The bureau will evaluate its FY 1999 performance plan relative to performance achieved toward the FY 1998 performance goals.)* As discussed above, the goal for performance measure 1 has been reduced in FY 1999, but remains on track in FY 2000. Performance measure 2 has not been modified. The Bureau believes that the Regulation Review Division's efforts to train its staff about improved customer service and its revamping of specific questions allow the 65% satisfaction rate in the proposed FY 1998 performance plan to remain relevant.

## **FY 1998 Program Performance Report**

**(Note: Until FY 1998 Actuals are available, this section will be updated per the projected end-of-year data provided to the Office of Financial and Budget Execution for the Mid-Year submission.)**

Success of Achieving Performance Goals: *(The Bureau will review the success of achieving its FY 1998 performance goals for the activity.)* The Policy and Program Development activity has one performance goal; namely, to expedite legal review of regulations submitted for departmental coordination by at least 50% above the FY 1997 baseline level by FY 2000 and improve customer satisfaction by at least 10%. The bureau is well on its way to meeting this goal.

The final performance plan called for a reduction of average number of days required for legal review of regulations from 14 to 12 days. The actual average is 11 days.

Although the survey used to measure the legal office's skill at customer service indicated a less than favorable results (55% rather than the goal of 60%), the bureau is using the opportunity to re-evaluate the survey and to determine how to measure satisfaction with customer service when efforts

are being made to change the way of doing things; i.e. streamlining of regulations. This is discussed further in the section below that explains and describes unmet performance goals.

Explanation and Description of Unmet Performance Goals: *(If any performance goals were not met, the bureau will explain why, discuss plans and schedules for achieving the established performance goal, and, for goals that are determined to be impractical or unfeasible, explain why and describe recommendations and describe any unmet performance goals.)*

The bureau planned to achieve a 60% satisfaction rate for skill at customer service. The actual result was 55%. The responses to survey questions indicate a negative response to our legal offices' efforts to streamline the regulation process. Of 50 questions, approximately 10% related directly to paper work reduction efforts. Although not fully analyzed, the bureau believes that customer survey questions will be reevaluated and updated to ensure that only the customer service skills (i.e., responsiveness to questions and ability to convey information in a positive, helpful manner) and not to the legal office's efforts to improve the bureau's regulations.

Use and Effectiveness of Any Waiver(s) in Achieving Performance Goals: *(This section only applies to activities for which OMB granted a waiver of performance goal requirements. (OMB Circular A-11 220.16))* Not applicable.

Summary Findings of Program Evaluations Completed During FY 1998: *(The bureau will briefly list the findings of FY 1998 program evaluations in bullet format.)*

- December, 1997, Program Evaluation Report on Regulation Review: According to the report, the bureau is generally meeting its performance goals in the area of regulation review. It surpassed expectations in its ability to reduce the number of days to review proposed regulations. The legal office did not meet its customer service skills goal, but the Bureau's Task Force set up to design and analyze the survey has determined that several of the questions did not elicit the type of information deemed necessary to accurately determine the office's customer service skill level.

## **Activity: 2. Procedures Development**

*(Each successive budget activity would be inserted in the format as illustrated for Budget Activity 1)*

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### ***Additional Instructions Related to the A-11, Part 2***

*Include the following information at this point only if applicable:*

*Aide by non-Federal parties in preparing this plan*

*When preparing the plan, if the Bureau is assisted by non-Federal parties (e.g., consultants, contractors, or States) whose role includes collecting information, conducting studies, analyses or evaluations; or providing opinions or ideas. Such assistance should supplement, not supplant, the Bureau's in-house plan preparation effort. The plan should acknowledge and indicate any significant contribution by non-Federal parties in its preparation. (Section 220.6(c))*

*Minor adjustments to the Bureau's strategic plan when submitted to Congress*

*If your Bureau makes minor adjustments to the strategic plan when the budget is submitted to Congress, identify and include the adjustments.*

## **Verification and Validation of Data and Definitions of Performance Measures and Other Terms**

**(Note: This section should be placed at the end of each appropriation after all budget tables.)**

**Performance Data Quality:** *(This is an introductory section to the individual measure information presented below. The bureau should briefly describe its general performance measure data quality and how the bureau's data is generally verified and validated to determine and assure its accuracy. To avoid unnecessary duplication, the bureau should include in this introductory section any information that applies to most or all of its measures on how it verifies and validates data. For example, if all measure collection systems are subject to an annual audit, this fact could be included here rather than repeated for each measure. Information that applies to specific measures should be included in the relevant measure's Verification and Validation section (see below). If portions of the bureau's data are not judged to be sufficiently accurate for program management and performance reporting purposes, the bureau should describe in this introductory section efforts to improve data quality and/or its ability to verify and validate data.)*

For each performance measure, a definition and verification and validation information are provided below. Based on the verification and validation information, each measure's data is rated as having either "Reasonable Accuracy" or as "Questionable or Unknown Accuracy." In the case of measures where statistical confidence intervals are available, these are provided instead of the rating statements above. *(required text)*

*(For each measure, provide 1) a brief definition and 2) information on how the bureau collects data and verifies and validates the accuracy of the information. Examples of information on how data is verified and validated could include information like “auditors examine the system once a year to ensure the reports it produces are correct” or “ internal system checks that report an out-of-balance condition are used to ensure validity.” A statement of the data quality of each measure must also be provided. Where statistical confidence intervals are available, they should be used to state the precision of the data (e.g., + or - 3% with a 95% confidence). In other cases, the bureau should rate the data as having either “Reasonable Accuracy” -- meaning the data is accurate enough to be used for programmatic decision-making -- or as having “Questionable or Unknown Accuracy.” (See also OMB’s A-11 guidance section 220.12 on verification and validation))*

#### Budget Activity 1, Policy and Program Development

- Performance Measure 1: Number of Days Required for Legal Review

Definition: (Note: *The Definition should be written to allow an individual unfamiliar with the program to understand what is being measured.*) The number of days required for legal review is the average of the number of days from the date the proposed regulation is received in the legal office to the date when the review is formally completed and sent to the requesting office. All regulations published in the Federal Register are counted in the measure. The base year is FY 1996, in which the legal office took an average of 14 days to review proposed regulations.

Verification and Validation of Data Quality: Data for this measure is captured as part of the Legal Division’s Executive Information System (EIS). Data is entered by legal assistants in each office as each legal review is completed. To ensure validity and verify the data, each quarter a statistically representative sample of legal reviews are selected and the data input into the EIS system is checked by the database manager, who reviews the results with the legal office’s Director, Regulation Review. The Director reviews any questionable results with pertinent staff to determine their validity. **Data Accuracy: Reasonable Accuracy.**

- Performance Measure 2: Skill at Customer Service

Definition: Skill at Customer Service is measured through an annual survey of a random sample of the Division’s customers. The survey measures the review staff’s responsiveness to questions and ability to convey information in a positive, helpful manner. Customers include all internal and external offices which provide formal requests for legal review. The survey was initiated in FY 1997, and the baseline was determined to be 52%.

Verification and Validation of Data Quality: The survey is completed annually by 300 randomly selected customers. It is administered by the Office of Corporate Surveys and Program Analysis. The 8-question survey instrument is tested annually through a customer focus group to ensure its continued validity. **Data Accuracy: The survey is accurate within + or - 4% with a 95% confidence.**

Budget Activity 2., Procedures Development

- Performance Measure 1: Whatever it is

Explanation as required.

**Other definitions:**

*(Other definitions may be included here as needed.)*